

"The demands of the 21st century security environment are markedly different from those that shaped the manpower requirements and personnel systems and policies that are used in the Department today. The current set of human resources policies and practices will not meet the needs of the 21st Century if left unchanged" The Defense Science Board Task Force on Human Resources Strategy, February 2000

Trends in our strategic environment, DoD initiatives to prepare for the future, and scenarios that may surface either explicitly or implicitly in the Integrated Deepwater System teams' proposals are change drivers with associated implications for the Coast Guard's Human Resources System – the policies and practices we now use.

These issues aren't new, but they are beginning to resurface more frequently as it is becoming increasingly more difficult for all of the military services to recruit and retain talent and effectively crew and staff their units. The question before us is what structure, schemes, and policies might we be willing to pursue if we are going to attract and retain the service-wide workforce, and especially the Deepwater force, of the future?

DoD has undertaken a number of studies describing how their current human resources system of compensation, retirement, training, assignments, and Quality of Life are not meeting their current needs nor will likely meet their future needs. We need to be drawing heavily from their excellent work as we vision and describe potential new paths to follow for our human resources. As one of the five military services, the Coast Guard must work closely with our DoD counterparts to be successful in making changes to the way we manage our intellectual capital. As we create new human resource management systems, we'll need to be particularly mindful to maintain the best attributes of our military and service culture.

Some of the more recent DoD studies that call for new directions:

- The Defense Science Board Task Force on Human Resources Strategy, February 2000
- Technology for the United States Navy & Marine Corps, 2000-2035, Becoming a 21st Century Force, Vol. 4 Human Resources, Naval Studies Board, National Research Council 1997
- Sailor 21: A Research Vision to Attract, Retain, and Utilize the 21st

Century Sailor, Navy Personnel Research & Development Command, December 1998

Dr. Bernard Rostker, stated before the Senate Armed Services Committee in his April 11, 2000 confirmation hearing for Under Secretary of Defense for Personnel and Readiness:

"...the world has radically changed since World War II when the current personnel systems were put into place. Advances in technology, changing demographics and an increase in dual career families are but a few of the realities we must assess. I believe that we need to look again at our personnel management system - for both officers and enlisted personnel - to ensure that we have the correct structure to efficiently staff our forces and get the job done for the American people. I expect to work with the Service Secretaries, Service Chiefs and the Chairman of the Joint Chiefs of Staff to address this issue and will actively seek the counsel of our congressional oversight committees as we consider where we are today, and where we must go in the future."

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What are the challenges we are facing?

The strategic environment is changing -- in all dimensions -- social, economic, and political. In particular:

- **Budget Constraints.** Budgets remain constrained while the cost of people is rising dramatically.
- **Economy Booming.** The external economy continues to boom while cost of living, especially housing and health care, likewise increases.
- **All Volunteer Force.** The military forces will continue to be manned on a volunteer basis.
- **Technological Complexity.** Coast Guard people will have to operate in a more complex, information-rich, technologically sophisticated environment.
- **Skills & Talent Competition.** Future workforce needs increasingly require individuals with skills and talents very much in demand by the private sector.
- **Increasing Diversity.** Increasing diversity of the future workforce pool require new strategies to access, manage, and retain a more diverse Coast Guard.
- **Changing Workforce Demographics.** Workforce demographics continue to change, such as increasing percentage of members with families, especially junior members, continued increases in single parent families, members married to members, dual career families.
- **Changing Workforce Expectations.** The new workforce has no/little tolerance for performing unskilled labor and an increasing desire for professional development. There is a different perspective on work-life balance. The majority of new workforce entrants fully expect to have multiple careers over their lifetime.
- **Civilian Workforce under Stress.** An aging federal workforce, an extremely competitive job market and years of government downsizing have resulted in a personnel crisis. With 45% of our civilian workforce eligible to retire in the next five years, we will experience a critical loss of expertise and knowledge.
- **Changing workforce composition.** More and more roles are being filled by civilians, reservists, Auxiliarists and contractors. New workforce policies and practices need to appropriately address this accelerating shift.

Drawing from recent military service retention studies, attrition drivers cited by those leaving are: perceived reductions in pay and benefits, excellent private sector employment opportunities, increased tempo, decreased job satisfaction, lack of confidence in senior leadership, and apparent low priority given to quality-of-life initiatives and programs. With a thriving economy, a competitive job market and declining public interest in working for the federal government, attracting and retaining our future civilian workforce will present many challenges.

What do we need in the future workforce?

The Defense Science Board Task Force on HR Strategy was formed at the request of the Under Secretary of Defense for Acquisition & Technology and the Under Secretary of Defense for Personnel & Readiness. This task force reviewed the trends and opportunities to improve DoD's ability to attract & retain personnel with the motivation & skills to serve and lead in civilian & military capacities. They defined the "Essential Force Characteristics" as critical capabilities for the future DoD workforce. Future demands on DoD point to different requirements for its people. The operational concepts being developed by the military services, acquisition & technology activities, & basic business and support responsibilities will require enhanced skills & leadership capabilities. The characteristics are:

- **Independence and Innovation.** Tomorrow's leaders will have to demonstrate high levels of independent judgement in carrying out missions and making business decisions. Creativity & adaptability are necessary to get maximum advantage from advanced business practices, technology innovation & new operational concepts.
- **Continuous Learning.** The rates of change in technologies and societies demand that future leaders continue to learn throughout their careers.
- **Leadership and Business Management.** Leaders will have to deal increasingly with individuals outside their own organization - whether in coalition operations with military counterparts, foreign governments, non-government organizations, or with business -- mega-corporations, small businesses, multi-national business partners, and the media.
- **Languages and Cultural Understanding.** The future workforce must have broader language skills and cultural understanding with an increasingly multi-national character of our military and business partners.
- **Technical Competence.** As more sophisticated technology is integrated into the nation's arsenal of weapons and command & control systems, and incorporated into new patterns of military operations, operating, maintaining and acquiring the equipment need enhanced technical competence.
- **Individual Sense of Commitment.** A sense of commitment to service will be ever more important. This commitment is important not only in maintaining individual leadership, motivation and dedication to task, but to serve as an example to new members of the workforce.

These characteristics surely define the needs of today's Coast Guard workforce, much less the future workforce!

What does this mean for our Service – what are the key issues?

A new military force concept envisions substantial changes in the way our workforce is organized.

The Coast Guard must be manned and supported by an occupational system that integrates active and Reserve components as well as civilian employees, Auxiliarists and contractor personnel. This type of force structure would give the Coast Guard maximum flexibility to hire, develop, and efficiently respond to changing needs with an integrated "total force." For instance, a "total force" structure would allow civilians to have more direct involvement in Coast Guard missions as well as integrate more fully with military leadership, culture and career development. This type of structure would support the need to enhance retention of the civilian workforce by providing challenging work and building commitment to service. A more seamless force will require changes in the way we recruit, retain, train, compensate, and retire active duty and reserve personnel. Certain career paths that are now almost exclusively active duty could become a more healthy mixture of active duty, reservists and even civilians, Auxiliarists and contractors. A new force concept would give the Coast Guard the flexibility to improve the management of a variety of critical skills, such as pilots and electronic technicians. Any new system will have to pay particular attention to rewarding long service in skills where experience has a high payoff in performance.

Recruiting and retaining talent is an ever-increasing challenge, especially for diversity.

Recruiting higher quality and retaining quality is a critical return on investment issue. The "value" of people continues to rise substantially -- building (growing) a Coast Guardsman is a major investment in both time and money. The allure of public service has faded and coupled with significant downsizing in the federal government, the federal applicant pool has greatly diminished. We lack the Intern or Upward Mobility programs from which to replenish the civilian workforce and provide career development opportunities. Retention of experienced individuals to fill key leadership,

specialty, and technical positions is of utmost importance. Civilians in the Coast Guard have limited career development opportunities, in part due to streamlined organizations and occupations that are thinly spread across more than 100 work locations. We must develop responsive HR programs, aggressive recruitment strategies, workforce modeling tools and position management systems to effectively deal with these issues. We must give our highest priority to providing job satisfaction, building commitment to service and thereby maximizing retention. If we do not get this right, nothing else matters.

There will be continued pressure/trend for smaller "optimal" crews.

Eventually all units will be "optimally" crewed and demand "optimally" trained and people delivered "just in time." Therefore, the desire/requirement for all journeyman or masters level people will accelerate as unskilled labor positions are eliminated. We must plan for higher percentages of senior, technically proficient people, but somehow maintain adequate apprentice opportunities and/or shift most of the current OJT to shore-based training. Premium on each individual's training will increase as crew size decreases. Shipboard QOL must be defined against a 21st Century standard for these valuable people.

The workforce must be "stabilized" for maximizing our return on investment in our intellectual capital.

The increasing technological complexity of the workplace requires greater skill levels and longer time in the job. The increasing need for geographic stability alone is a major challenge in a small service geographically dispersed. These and other workforce management requirements will place increasingly complex (impossible?) demands on the current assignment and promotion process.

Traditional PERSTEMPO coupled to OPTEMPO severely degrades readiness and retention. The Deepwater System teams will surely

understand the need to use our platforms more effectively and are likely to propose using our cutters more than 185 days away from homeport. This provides us the opportunity to make sea duty attractive through alternative crewing schemes, but will likely challenge our culture of one cutter/one crew ownership.

Program and technical expertise needs are increasing; "one size" no longer appears to fit all.

Each of the recent DoD studies calls for new ways of effectively managing people and thereby anticipating and responding to an increasingly greater importance of people to mission accomplishment. Providing organizational agility will be a key success factor. The current set of Federal Personnel rules and requirements will not meet the needs of the 21st century if left unchanged. The capability to alter sets of internal arrangements (e.g., people management, leadership, core business processes, and information technology) will enhance operating flexibility and drive great mission responsiveness. This will significantly test our conservative culture. What is our readiness to change or embrace new ways of doing business?

Selecting and developing future leaders of Team Coast Guard.

A systemic program is critical for selecting and developing future leaders from all components of the workforce. For instance, it seems that civilians, who can enter at any level, are expected to be largely trained before entering government service. Understanding the strengths of great leaders and assessing those with the best potential into leadership development programs is key to creating exceptional workplaces that excel in mission performance.

People and human resource system investments pay off.

Human competence is essential to every Coast Guard operation. Its presence will not guarantee the success of our operations, but its absence will most certainly ensure their failure. Investments in human resources will yield substantial returns.

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What can we do about this?

The Coast Guard has *potential strategic choices* along three interrelated dimensions: (1) workforce structure, (2) career entry and progression, and (3) human resources system management.

(1) How should our workforce be structured?

Our military generalist paradigm may not be well-suited for a future world characterized by highly sophisticated technology, complex platforms, and increased mission demands.

"Workforce structure" considers the way the workforce should be organized across the Coast Guard to do the Coast Guard's business. The potential exists for increasing specialty knowledge and skill within a system, such as Deepwater, icebreakers, or buoy tenders, by managing career paths within individual systems.

The civilian workforce is composed of professional, administrative, technical, clerical, wage grade and non-appropriated fund positions. With rapidly changing technology and increased mission demands of Deepwater, we will need more flexibility and continuous learning in our talent pool. This

may call for managing career paths across specialties using lateral reassignments, details, cross-training and professional development in multiple functional areas. We will also need to determine the right mix of military and civilian positions. Our civilian workforce structure may change from predominantly government careerists to a mix of government and private sector employees. Outsourcing, evaluating total operations to determine which functions can be cost-effectively subcontracted to outside sources or franchised through other government agencies, is an option in workforce restructuring.

The best employment of each workforce component -- active duty and reserve military, civilian, Auxiliary, and contractor personnel -- will need to be integral to workforce structure determinations.

(2) How should we manage career entry and progression?

We may need increased flexibility to bring people in and out of active duty and reserves at different levels. "Career entry and progression" considers where people enter and leave the Service as well as how high and how fast they are expected to climb a career ladder, and whether a continuous climb is even in our best interests. The potential exists for increasing lateral entry vs. the "everyone-enters-through-the-bottom" approach.

Civilians in the Coast Guard have limited career opportunities with only 5 percent of the workforce in positions that have built-in promotion potential. We will need to implement intern, upward mobility and student employment programs and take advantage of successful entry-level recruiting programs.

(3) How should we manage our human resources system?

We may need to move beyond a "one-size-fits-all" approach to military compensation and assignments to provide more flexibility to deal with recruiting, retention, and force shaping issues.

Our policies may be completely uniform across the workforce, a "one-size-fits all" approach, or we may introduce flexibility to meet changing demands. This includes alternatives in compensation, retirement and assignment practices that may profoundly affect recruiting and retention. Significant Changes in the Federal Civilian Personnel Management System will likely

be required. Civil Service laws and regulations focus on merit and equity, and do not provide flexibility in dealing with local requirements, changing market conditions, or workforce restructuring. Perhaps we should consider a proposal to transfer OPM authority that would allow us to establish policies and develop force-shaping tools that deal with the total workforce structure of the Coast Guard. As a minimum, we will need to look closely at our own internal HR policies, practices and recruitment methods that have not kept pace with a rapidly changing environment. This includes using flexible work schedules, telecommuting, and recruitment bonuses.

As we consider options along these dimensions, the question before us is not which option is right or wrong, but which ones may make better sense in meeting our mission needs, given the likely recruiting and retention challenges? Whatever new platforms and systems come our way, such as Deepwater, new buoy tenders, and HEALY, they must be staffed with people. It follows that we must offer those people attractive careers in a high QOL (Quality Of Life) environment. This causes us to re-evaluate our traditional human resources policies and practices.

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Potential Strategic Choices

Dimension	Some of the Challenges	Potential Variations include:
(1) Workforce Structure	<ul style="list-style-type: none"> Operating in a more complex, information-rich, technologically sophisticated environment could mean our people need to stay in specialty (or with equipment, or missions) to maximize return on investment in training and experience. A generalist paradigm may not fit well with increasing specialization and hence the need for increased professional competence and longevity. Our system must support critical technical skills, like pilots and engineers. We may have to limit in and out of specialty movement. There is likely a better mix of active duty and reserve military, civilian, Auxiliary, and contractor personnel to perform our missions. 	<ul style="list-style-type: none"> "Open generalist system" representing the status quo in which members are relatively unconstrained in their ability to move between Deepwater and Non-Deepwater assignments and between various platforms and mission areas. "Closed-loop systems" reflects a Service-wide segregation of the workforce into different communities, such as a dual system of Line (Operations) or Logistics (Support) career tracks or a similar division between Deepwater and Non-Deepwater career paths, or further combinations of these two. "Multiple independent communities" suggests a workforce structure that is composed of any number of specialized, restricted communities centered on missions, platforms, geographic regions, classes of units, etc.
(2) Career Entry and Progression	<ul style="list-style-type: none"> Providing flexibility to bring people in and out of the Service at different levels. Increasing lateral entry to attain valuable skills without having to grow everything ourselves. Devising career paths with greater mobility between components (active, reserve, civilian). Maintaining a workforce that requires only journeymen and master technicians. We may consider new or different career ladders for some specialties. The "up-or-out" requirement for people with certain skills may not fit the needs of changing technologies and the needs for experienced operators and maintainers of complex equipment and systems. 	<ul style="list-style-type: none"> "Single entry point, cradle to grave career management system" representing the status quo where almost everyone enters through the bottom, and operates with an up-or-out pyramid structure. "Apprentice/journeyman/master system" brings almost everyone in from the bottom, but most, if not all unskilled/unqualified billets are eliminated. This may very well be a likely scenario to come out of the Deepwater proposals, since to keep "people" costs down, units need only be staffed with officers and technicians ready to do their jobs with limited supervision. "Journeyman/master system" addresses changes in technology that increase the requirements for experienced operators and maintainers of complex equipment and systems. We bring many people in through the bottom, but we change some of our up-or-out requirements and target specific jobs/specialties for lateral entry fill to access and retain <u>selected</u> highly skilled personnel.
(3) Human Resources System Management	<p>Whatever the "workforce structure" or "career entry and progression" model we use, there are further choices about policies and practices that may help maximize capabilities to recruit, retain and shape the workforce. The first two dimensions address the design of the human resources system while this dimension is how might we manage the system. We may desire to maintain a "one-size-fits-all" system, or seek other ways to provide more flexibility in compensation, assignments, and career paths to attract and retain valuable skill sets, or to better compensate sea duty, isolated duty, or other hard to fill specialties or assignments</p> <ul style="list-style-type: none"> Rewarding long service in skills where experience has a high payoff in performance. Compensating individual communities or even individuals differently to maintain valuable skill sets. Changing traditional approaches to assignments, such as an "assignment zone" concept of detailing to increase geographic stability. Restructuring the pay system to emphasize pay for performance or pay for skills. 	<ul style="list-style-type: none"> "One-size-fits-all" representing the status quo where we centrally manage all people, specialties and communities universally and as equal as possible. Provides the least flexibility (smallest toolkit) for force shaping (targeted recruiting and retention), but the most consistency across the workforce. "Regional management" decentralizes as much control as possible to program human resources (i.e., personnel assignments) to a region (Area, district or some other defined area), but remains a "one-size-fits-all" system for compensation and career management. "Community or specialty management" calling for a restructuring of the compensation systems -- pay and retirement. This would best enable us to pay for skills (differentiate the value to the Service of different skills), pay for performance (i.e., longevity in an assignment in lieu of promotion to stabilize expertise), and use different retirement points that best meet workforce management goals (i.e., keep certain ratings youthful while maximizing length or service in others).

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Clearly, there are a host of other “combinations” of centralized/decentralized management and compensation options.

Additional Potential Strategic Choices for the Civilian Workforce

- Providing a more flexible, highly trained, multi-skilled labor pool from both the public and private sectors. Single-employer careers for technical and other professionals are largely a thing of the past. We must be prepared to have a shorter-term talent pool with more turnover and frequent job changes.
 - Structuring a balanced civilian workforce in terms of entry, middle and senior level positions, career opportunities and multi-skilled talent.
 - Hiring or training civilians in multi-specialties, mid-career changes, and providing dual tracks for interns.
 - Re-engineering a percentage of civilian positions as intern and upward mobility positions.
 - Providing more flexible work schedules, telecommuting, job sharing, and intermittent, temporary and term appointments.
 - Attracting and retaining valuable skills with bonuses and retention allowances.
 - Employing civilian workforce position management systems that give managers flexibility to re-structure their workforce.
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Where do we go from here?

“It is not sufficient to adjust DoD policies and practices in temporary measures to meet the most critical shortfalls identified today. A sustained transformation in the character and management of the human element of the force is crucial -- one that keeps pace with the rapid changes in the national security environment and in society at large. Making the needed changes will be difficult and complex. But without such a transformation, the Department’s human resources problems will become much worse.” The Defense Science Board Task Force, February 2000

Choosing among these alternatives is not trivial. In many respects, it rivals the scope and depth of the Integrated Deepwater System effort itself. It will take a significant investment in people, time and resources to chart the path – building upon Department of Defense studies and research and our current workforce assessments and studies. This effort must be a systematic, systemic, comprehensive, holistic approach to a new future. Coast Guard workforce studies and assessments that will be included, among others:

General Professional Development:

- Non-rate Workforce Structure Study (NWSS)*
- Chief Petty Officer Needs Assessment (CPOA)*
- Junior Officer Needs Assessment (JONA)
- Petty Officer Development Initiative (PODI)*
- Senior Enlisted Needs Assessment (SENA)*

Mission or Job Specific Development:

- Foreign Language Needs Assessment (FLNA)
- Optimize Training Infrastructure
- Company Commander Needs Assessment*
- Command Master Chief Needs Assessment*
- Workforce Performance and Training Strategy
- Integrated Deepwater System
- Recruiter Needs Assessment*
- Rating Master Chief Needs Assessment*

Rate Specific Development:

- Joint Rating Review (JRR)
- Aviation Workforce Structure Study (AWSS)

Career Entry and Progression:

- Workforce Cultural Audit
- Junior Enlisted Management Study (JEMS)*
- Skills Architecture and Management Study (SAMS)
- Workforce 2015 Study
- Enlisted Advancement Study Team (EAST)*

Platform or Equipment Specific Development:

- Buoy Tender Systems Study (BTSS)
- Surfman Study
- 110 Pipeline Study
- Project Kimball
- Afloat Learning Environment (ALE)

Civilian Workforce Specific

- Civilian Staffing and Career Patterns Study
- DoT HRM Action Plan 1999-2000
- Civilian Needs Assessment

(*Enlisted Career Development Program)

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The following “STRATEGIC OBJECTIVES FOR WORKFORCE CHANGE” outline many of the specific changes that such an effort must consider in building a better human resources system for the future.

STRATEGIC OBJECTIVES FOR WORKFORCE CHANGE

Place priority focus on attracting and retaining the needed people who are motivated and qualified to serve and lead. Institute system-wide changes in three human resources key policy dimensions: workforce structure, career entry and progression, and human resources system management.

- **Take a Human Resources Systems approach.** *The key is to view mission-ready, competent human performance as the goal, rather than seeking isolated improvements in training, selection, human factors, or other essential but subsidiary components of the system.* Develop a more integrated system for managing people in response to advancing technologies, in order to increase efficiency and improve readiness. Many components combine to produce the human resources – the human competence – needed by the Coast Guard. Among these are recruitment, selection, classification, assignment, training, and job design. All of these components are interdependent. If they are managed as independent stove-piped entities, their interactions will not be accounted for, and improvements sought in one component may be overwhelmed by consequences created elsewhere. The full human resource system must be taken into account. There is a need to better understand the service-wide, cost-effectiveness among these components. Investments in these components must be balanced and coordinated to optimize returns in readiness and force effectiveness. Developing and maintaining this systems view of human resources will require continued cultural and organizational changes. The roll-up of the old Offices of G-P, G-K, and G-R into G-W is the beginning of such a change.
- **Invest in people-centered research** to support the introduction of new technologies and to increase efficiency (Workforce Performance and Improvement Strategy). New technologies are becoming available to help improve the way we make use of human resources – improving individual and system performance, facilitating training and qualification, and measuring and analyzing systems and trends.
- **Invest in technology-based personnel systems** that empower supervisors and individuals to automatically generate many types of personnel actions. A paperless environment is envisioned where supervisors use automation to move through integrated personnel systems that link job requirements to pay, training and performance management and produce the related documentation and personnel actions. Members are in control of and responsible for some of their own personnel actions such as direct on-line changes to benefits, thrift savings plans, tax status, direct deposits, and assignment requests.
- **Build a Strength-Based Organization** based on the research from “*First, Break All the Rules*.” With results from over 80,000 interviews and millions of survey questions analyzed, a “12 question” survey was developed by two researchers for the Gallup Organization. To quote the authors:

“When the dust finally settled, we made a discovery: Measuring the **strength** of a workplace can be simplified to twelve questions. These twelve questions don't capture everything you may want to know about your workplace, but they do capture the most information and the most important information. They measure **the core elements needed to attract, focus, and keep the most talented employees**.” (emphasis added)

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Marcus Buckingham and Curt Coffman, authors of *First, Break all the Rules*, found “great managers” spend more time with their best performers than with their less productive counterparts, fit people into the right roles and hire for talent rather than experience, focus on strength rather than weakness, and clearly define the right results as opposed to the right steps. The 12 questions in the survey help supervisors figure out how to do just that. The authors have also found that the more employees strongly agree with the statements (12 questions), the more likely the business unit will have measurable higher profitability,

productivity, employee retention and customer satisfaction.

Future Force 21 change is all about “breaking the rules” on how we’ve been doing business, such as career/job selection, professional development, leadership selection and development, and design of career paths. The focus changes from a “one-size-fits-all” approach to selection and development, to one where we first invest up-front in selection for the “right” talents. In lieu of developing everyone to fill every role in the Service, we seek to place and retain people in those roles they do best, and further invest to make them the absolute best.

Access Talented People & Better Match Them To Careers

Recruit a higher proportion of people with above-average abilities, including already trained people through lateral entry, and retain high performers for longer periods. The quality of our workforce is linked directly to the quality of people entering our Service. High quality talent implies better individual performance and better unit performance. Research shows high-quality recruits are more likely to complete their first term of service, less likely to be demoted or receive nonjudicial punishment, and more likely to be promoted faster and further than others.

- **Shift emphasis to personnel selection.**

- Personnel selection pays off. Coast Guard people will have to operate in a more complex, information-rich, technologically sophisticated environment. Seek top quality people who have a propensity to “stay the course.”
- One-fourth of Cape May graduates leave before their four-year commitment is up. Classifying people into their correct job and career categories is important for job and career satisfaction and hence retention. Studies show performance significantly increases for individuals properly matched to jobs and military skill requirements. Personnel tests and assessment tools (“whole person” profiles) must be introduced to select the best fit for the Service and subsequent career field. Substantially reduce (eliminate?) non-rate billets throughout the Service to minimize the dissatisfaction with non-Coast Guard work and maximize getting talented recruits directly into satisfying careers. Recruit training to “A” School to field will be the usual path for new enlistees. This has the added benefit of reducing turnover and on-the-job training load at the unit level.

- **Reduce apprentice jobs and shift OJT ashore.** With the continuing trend for optimal crewing, there will be limited training (or apprentice) billets on our operational platforms. Consider assigning junior officers only in sufficient numbers to meet cutter crewing requirements and provide the base for developing our future cutter fleet command

cadre (CO, XO, OPS, EO). Assign all other newly commissioned officers to meet the needs of the rest of the Coast Guard’s missions and minimize time in service to develop beyond an officer trainee level. Consider shore-based training and qualification to minimize shipboard OJT for both officers and enlisted.

- **Develop provisions for lateral entry.** Continuation of current recruitment practices will become increasing problematic because more young people are attending college (more than 70% of those now graduating high school) and obtaining at least associate degrees. Expand our presence into this growing market of skilled people. Develop provisions for lateral entry allowing accession of advanced skills at advanced pay grades or advance them rapidly. Change our recruiting procedures and marketing efforts, and develop a new set of incentives, such as advanced pay grades, scholarships, and recruiting bonuses. Likewise, the training system will need to become more flexible to manage people with different incoming skill levels.
- **Enhance opportunities for Reservists and Civilians.** Provide flexibility to bring people in and out of the Service at many different levels.

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Enhanced opportunities to move between the active and Reserve forces, as well as innovative programs with industry, can be used to our advantage in recruiting and obtaining advanced skills. Career paths that are now almost exclusively active duty could become a more healthy mixture of active duty, Reservists, and civilians. A seamless integration of active and Reserve components with a single, integrated personnel and logistics system will be required. Increasing our ability for lateral entry, exit and re-entry will be necessary, all in context of a successful military career (compensation and retirement).

- **Tailor enlistment periods.** Consider accessing people for different lengths of service based on different skills. Offer variable enlistment periods based on career area rather than trying to standardize a few options to cover everyone.
- **Recruit for officers.** Meeting the technical needs of the officer corps remains a major challenge to both the Academy (our major source of technically skilled officers) and officer candidate and direct commission programs. Make investments to provide an officer recruiting capability – a presence on college campuses and the necessary incentives to attract the technical skills we need.
- **Establish a civilian recruiting outreach program.** Hiring a highly skilled workforce at entry and full performance levels from both the private and public sectors is an imperative. With a diminishing pool of government workers and a lack of public interest in federal employment, an aggressive outreach program, leveraging technology, will be necessary to reach colleges, private industry and other government agencies.

Keep Our People Longer

Retention is a force multiplier and a way to make better use of the human capital we worked hard at acquiring and developing. Easing attrition most directly eases recruiting. We need to retain on a selective basis officers and enlisted personnel who are qualified, committed individuals necessary to meet our Service requirements. Among the most important issues facing us are reducing the losses in the junior enlisted grades, retaining dynamic young officer leaders and tested petty officers and chief petty officers with leadership skills and proven competence, developing leaders for positions of higher military responsibility, and providing a strong, well-structured system of continuing professional education and training. Although overall retention – among both enlisted members and the officer corps – is relatively strong, recently attrition is rising. Furthermore, general trends mask significant shortfalls in specific skills, such as pilots and engineers, as well as changes in attitudes among junior officers.

Develop effective ways to manage operational and personnel tempo that recognize the anticipated operating patterns and the family-orientated interests of service members and civilians.

- **New crewing alternatives.** Three major factors that have historically affected retention are (1) compensation relative to the external environment, (2) the tempo or pace of personnel deployments (PERSTEMPO), and (3) sea-shore rotation. We need to develop new alternatives to help make deployments less burdensome on our people and their families. A restructuring of the existing force and crewing assumptions to alleviate personnel tempo problems for members in units with high operational tempo is necessary.
- **Make sea duty more attractive.** If, after all is said and done with Deepwater, sea duty is not any more attractive than today, we have failed. To alleviate some of the retention pressures associated with higher PERSTEMPO and sea-shore rotation, alternative crewing schemes, such as multi-crewed cutters, will be necessary. New strategies for improving the conditions of sea duty, along with innovative compensation schemes need to be pursued, including reducing the drudgery required to maintain and operate our cutters, increased and different forms of compensation (such as extensive comp time), and different assignment and rotation schemes.
- **Develop leaders of character.** Ineffective leadership causes our members to focus on problems associated with pay, operational tempo, and quality of life issues, and hence create performance and retention problems. The leadership qualities of officers, chief petty officers, petty officers and civilian supervisors are paramount to the vibrancy, dynamic leadership, and esprit the Coast Guard's future demands. A well-structured, career-long leadership development program, with effective diversity management as an integral piece, is of absolute necessity.

Develop Our People

Training is a means to an end – successful performance of our missions. Training is widely acknowledged to be an essential component in preparing our people for those missions. Because this investment is both critical to our future and a large investment, we must ensure that this training is performed effectively and efficiently and that training resources are expended wisely. The application of advanced technologies for education and training is key to developing and sustaining the levels of human performance necessary for Coast Guard effectiveness (Coast Guard Workforce Performance and Training Strategy).

The existing training system does not adequately address civilian workforce needs. The broad application of a series of unrelated developmental courses cannot fix the systemic problems that confront the civilian workforce. Performance needs must be addressed in a systemic, structured manner. Historically, civilian employees have been hired based on their existing skills, knowledge and abilities. However, in a rapidly changing work environment it is unrealistic to assume that the Service can simply hire employees with the requisite skills, and expect them to maintain the necessary levels of proficiency. Who we train and how we train needs to change as we move towards new ways of learning. Job, career and personal development will involve alternative ways of learning.

- **Apply technology to training.** Invest in the conversion of conventional forms of training to technology-based, distributed training. Education and training are key to developing and sustaining the levels of human performance required by our 21st Century missions. The effectiveness and efficiency of our education and training programs can be improved substantially through the application of instructional technologies. Investments will yield significant returns that can be used to fill gaps that now exist in the delivery of training, to further modernize training, and to increase its efficiency. Robust, essential initial training must be provided ashore to produce that well qualified, just-in-time cutter crewmember.
- **Create lifelong learning opportunities.** Emphasize education as an essential part of career development, especially preparation for the future. Professional growth will be critical for enlisted, officers and civilians in meeting the 21st Century missions, and retaining this valuable investment will be critical to our future. Provide greater investment in the education of all members, guaranteeing at least a bachelor's degree for every enlisted member and master's degree for every officer, and continue to expand college programs for our civilians. Develop the Coast Guard "remote classroom" to deliver education and training to every desktop and home PC.
- **Review and adjust officer management.** Recruit and/or build the necessary cadre of officers with bachelor's degrees in the technical specialties and follow career paths where we require investments in postgraduate education. Ensure substantial time in the career paths of all officers who are capable of and motivated to invest the considerable effort required for postgraduate study in science and technology, and ensure they are rewarded in their career for their added skills and capabilities. Reconfigure promotion policies and practices to retain and more fully reward technically skilled officers and enlisted personnel, who will be increasingly needed for predominately high-technology duties.
- **"Grow our own" civilian workforce.** Develop a comprehensive structured professional development and career management program for the professional civilian workforce. Provide our employees with the breadth and depth to assume senior-level positions. Enhance employee mobility, entry-level professional development programs, and continuous learning in response to increased knowledge demands and further technological challenges. Shift from ad hoc and varied approaches toward a more structured, systematic program.
- **Imbed Mentoring.** Both the military and civilian career and advancement systems are complex, and individuals need an experienced guiding hand to help them navigate these systems. Create a culture where mentoring is valued and every member sees it as their responsibility to guide and assist all members of the workforce regardless of whether it crosses the military/civilian or enlisted/officer boundaries.

Enhance Quality Of Life For Our People

The human dimension of service life – what is defined broadly as *quality of life* – are critical components of the human resources system. QOL is important because of its relationship to military recruitment and retention, as well as its contribution to personal readiness and performance. Positive perceptions of Coast Guard life are critical to the ability to attract and retain qualified personnel, while QOL in duty-related life domains has an important impact on individual moral, unit cohesion, and Service esprit de corps. Helping service members and their families adapt to military life and cope with its unique duty and career stresses demonstrates that we value our people, and fosters their connection to the Coast Guard, our missions, and other members. QOL investments are a concrete example of the value and importance that the Coast Guard places on its people. These initiatives facilitate the level of commitment necessary for mission accomplishment and help to moderate aspects of military life stress and to sustain member well-being.

- **Provide “right” QOL services.** Strive for a duty, career, and personal life environment that increases retention, enhances readiness, and promotes performance. Encourage and develop commitment to the Service and a sense of connection to the military community by demonstrating concern for members and families through a range of QOL services. QOL investments have an important payoff in desired human resource outcomes. Continue to seek opportunities to quantify the connection between QOL cost factors and indicators of outcomes. Conduct regular, comprehensive, service-wide QOL assessments. Examine the relationships between measures of readiness and performance and QOL factors.
- **Resolve housing and healthcare issues.** Where our military members live and how their families are cared for have most critical implications. We recruit members but reenlist/retain families. Although there is much attention paid to QOL issues and we’ve made progress working with DoD, there is a perception that more can and should be done to enhance QOL. Members and their families feel that improvements that have been promised are slow in coming. Solutions to housing and health care issues must be provided the highest priority from the very top of the Service. Housing needs of single service members also must not be neglected. Furthermore, all future policy and management decisions on housing policy and health care systems must include a broadly viewed QOL impact assessment. For instance, what is the potential impact on our members and their families of achieving budget efficiencies in housing when they are perceived as resulting in lowering standards of living?
- **Apply technology to QOL.** Family separations because of training, operational deployments, and unaccompanied tours of duty are typically considered among the most difficult aspects of military life. The availability of improved communications technologies can help at-sea members deal with one of the major stresses of shipboard duty. Implement innovative programs, especially those that provide opportunities to maintain closer contact with families and loved ones.
- **Address QOL demographic and societal changes.** A powerful influence on overall QOL is demographic and societal changes that determine the characteristics of our workforce, their families, and their life-style expectations and requirements. Greater QOL expectations are inherent in a military service with a higher percentage of career personnel and corresponding educational levels, especially with increasing comparisons and changes observed with our corporate and DoD competitors. Providing robust voluntary education programs will be a necessity. The greater percentage of women members, families with children, single parent families, elderly parents, and dual careers must be considered in decisions about services offered and the modes of delivery, as well as changing definitions of families and gender-role expectations.
- **Stabilize assignments.** Duty assignment is a critical QOL component and providing greater levels of geographic stability will increase retention of high value people. Investigate new policies and practices that provide longer assignment opportunities, such as an

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“assignment zone” concept, without penalty to career growth and progression.

- **Recognize and respond to changing demands of the civilian workforce.** Many recent studies confirm that college graduates are seeking more than high salaries and bonuses. They site flexible work schedules, meaningful work, continuous learning and development, family-friendly work ethics and

organizational leadership and values as critical factors in their job selections. The cultural norms currently in our organization may not be so appealing to our future civilian workforce. We will need to offer flexible work place and work schedules, emphasis on quality of work-life, and continuous learning and developmental opportunities to retain top quality performers.

Develop Force-Shaping Tools That Are Appropriate For The 21st Century

Recognize that “one size” does not fit all and develop tools that allow flexibility for different career patterns, compensation expectations, and motivations particular to different occupations

“The Department has a wide range of tools for shaping its workforce, yet many of those available today are either not used or are no longer as effective as they need to be. Some of these tools tend to reflect the ‘one-size-fits-all’ approach that has evolved from a system in place for many decades and are no longer well suited to the current needs of the workforce. The Department needs to recognize that ‘one size’ does not fit all and to develop tools that allow flexibility for the different career patterns, compensation, expectations, and motivations in different occupations.” The Defense Science Board Task Force, February 2000

The U.S. military compensation system is made up of a complex patchwork of pay, allowances and retired pay. The system is about 50 years old and dates from the post-World War II period. Even with recent reforms, the system lacks the full flexibility needed for the future. There exists marginal differentiation in pay (e.g., bonuses and special and incentive pays) to meet specific retention needs. The system does not deal well with providing retention incentives at key career decision points. It does not reward people for remaining at any particular grade or rank for extended periods of time when that is precisely what the Coast Guard may need to retain the skills and experience to do the job. Moreover it has failed to keep pace with private industry pay and retirement systems,

which have changed radically over the last 20 years, offering a wide array of benefits, flexible savings plans, and increased emphasis on employer-paid education. The Coast Guard must work with DoD to take advantage of the opportunities in the federal civil service and private sector and restructure our military pay and retirement systems with the flexibility needed to accommodate staffing requirements for different skills, and to manage careers of varying lengths. In doing so, we can provide critical retention incentives. In particular, we should consider:

Emphasize pay for performance and skills and modify the “up-or-out” requirements for selected skilled personnel.

The current military compensation system uses a single pay and allowance table for all the services even though they need quite different personnel. Flexibility has been grafted onto the system over time through different grade structures and myriad special payments such as selective reenlistment bonuses and special duty assignment pay. To recruit better people and increase the tenure within the Service, changes to the compensation system are necessary. Restructure military pay and retirement systems with the flexibility needed to accommodate manning requirements for different skills and to manage careers of varying lengths, providing valuable additional retention. Selected modifications to the “up-or-out” system will enable increasing flow between the active duty and reserves throughout a military career.

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- **Pay for skills.** The compensation system must accommodate continuing technological changes that increase the diversity of skill requirements and will inevitably lead to the need for more differentiation in pay by skill.
- **Pay for performance.** While the “up-or-out” system served the military services well during the Cold War era – a period in which the services required large, relatively youthful forces – it may not serve the country well in the future for certain specialties. Changes in technology will increase the requirements for experienced operators and maintainers of complex equipment and systems and will reduce the need for youth and vigor in parts of the services. This is likely an outcome of the Integrated Deepwater System. These changes will require the relaxation of current “up-or-out” rules in some cases. New ways of compensating personnel other than through promotion will need to be developed.

mandatory retirement rules will be necessary to encourage top performers to continue serving in the Coast Guard.

And this bears repeating:

“It is not sufficient to adjust DoD policies and practices in temporary measures to meet the most critical shortfalls identified today. A sustained transformation in the character and management of the human element of the force is crucial -- one that keeps pace with the rapid changes in the national security environment and in society at large. Making the needed changes will be difficult and complex. But without such a transformation, the Department's human resources problems will become much worse. ” The Defense Science Board Task Force, February 2000

Restructure the military retirement system to create a system with the needed flexibility to effectively shape the future force.

The system is a “one-size-fits-all” system that provides personnel managers little (no) flexibility to shape different rank and grade experience structures in different skills. Certain jobs require youth and vigor. In contrast, other jobs involve exceptionally high training costs and are learned over fairly long periods of time. The trend is an increasing need for skilled labor relative to unskilled labor and will, on balance, reduce the need for youth and vigor. The current retirement system skews the career lengths of the workforce toward 20 years. It is unlikely that 20 years is the optimal career length across the entire spectrum of military occupations today and into the future. As a result, some personnel stay too long, and others not long enough.

- **Restructure the retirement system** with the needed flexibility to effectively shape the future force. A new system is needed that smoothes out retirement incentives over a longer portion of the career. New later-career retention incentives and modification of the